ACHMEA MORTGAGES

Investment Update H1 2026

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Mortgages

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1. Introduction

With the global economy increasingly shifting towards rival political blocs rather than the multilateral order that defined the early 21st century, economic turbulence appears to be becoming endemic.

In this environment, Dutch residential mortgages offer investors an attractive option, providing yield stability and low risk. The Dutch mortgage and housing markets continue to perform well despite global economic headwinds, a trend supported by historically low arrears and realized losses in Dutch residential mortgages. Looking ahead to 2026, with unemployment forecast to remain low and wage growth expected to continue, albeit at a slower pace, the mortgage market has solid fundamentals to support stable growth. However, elevated swap and mortgage rates may constrain further expansion. These rates reflect a stable ECB policy stance and higher government borrowing costs.

Beyond credit stability and attractive risk-adjusted yields, the asset class also presents a compelling ESG opportunity. By installing energy-saving measures, investors can work towards building a net-zero mortgage portfolio by 2050. Analysis by Achmea Mortgages demonstrates that further adoption of solar panels alone could reduce carbon emissions within the portfolio by 11%.

2. Macroeconomic Developments

DUTCH ECONOMIC PERFORMANCE

GDP: muted resilience through uncertainty

The year 2025 has been turbulent. US tariffs, political uncertainty in France and Germany, and the continuing conflict in Ukraine have substantially increased economic volatility.

This volatility has had a limited but slightly negative effect on the Dutch economy. Third quarter growth came in at 1.6% year-on-year, indicating that the Dutch economy has shifted to a more muted growth trajectory compared to the strong post-COVID recovery numbers (source: CBS).

According to the Dutch Central Planning Bureau (CPB), the Dutch economy is projected to grow 1.6% for the full year 2025 and 1.4% in 2026. This slowdown is primarily driven by lower-than-expected export growth. However, private and government consumption growth provides a stabilising buffer, making the slowdown manageable.

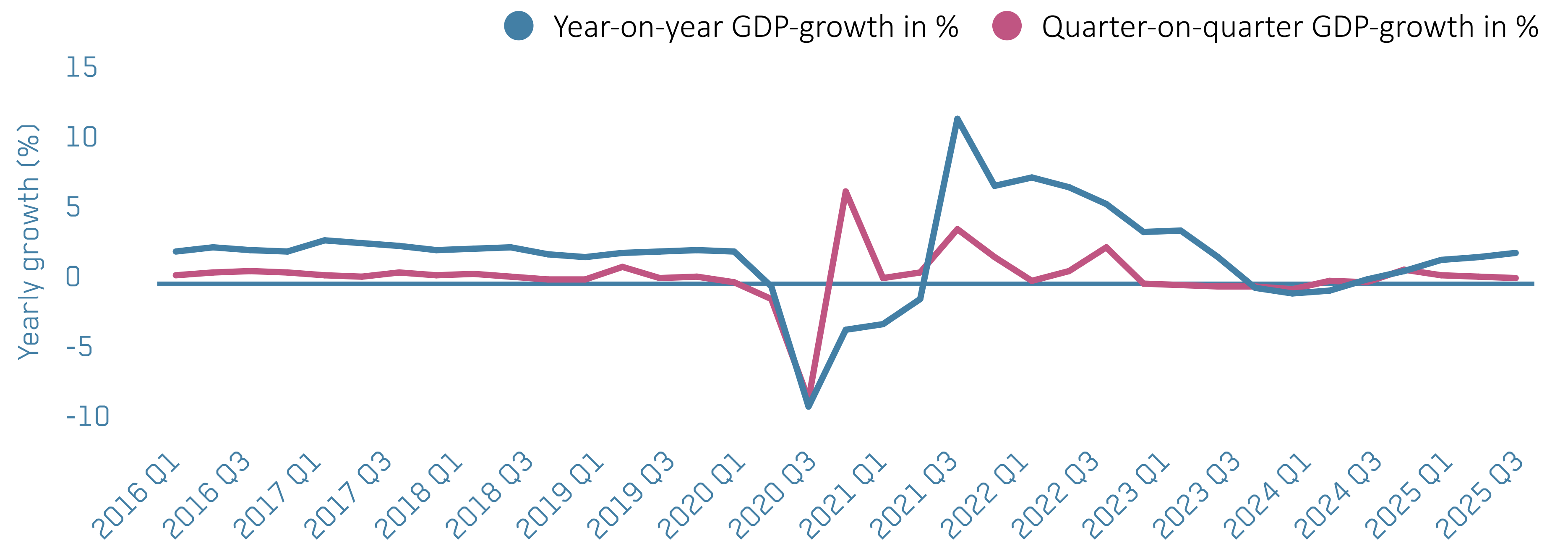
Labor market: low, but slowly rising unemployment

As the Dutch economic slowdown affects the labour market, the unemployment rate has been on a gradual upward trajectory since August. However, this increase occurs from a low base.
The unemployment rate has risen only from 3.8% to 4.0%, which remains substantially below the long-term average of 5.4%.

The CPB's September prognosis expects the unemployment rate to remain low in the coming years. Key factors supporting relatively low unemployment include a declining rate of labour force growth and continued economic expansion. For 2026, the unemployment rate is expected to hold at 4%, rising to 4.4% by 2030. These figures indicate continuously low credit risk for Dutch mortgages.

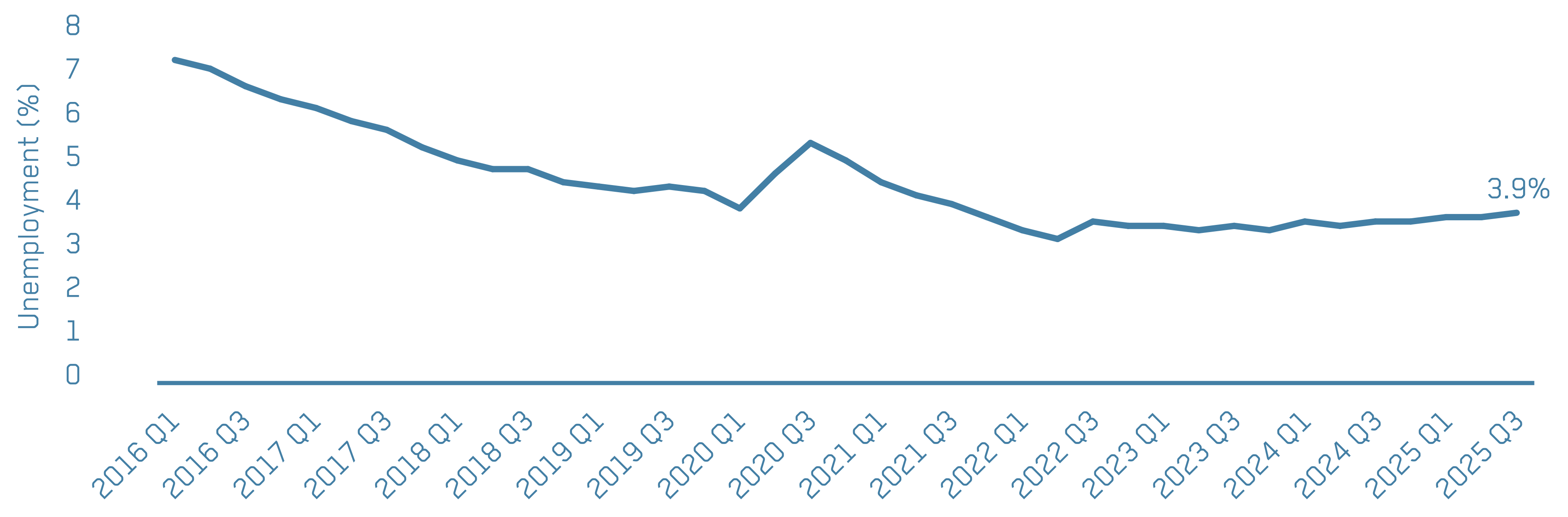
GRAPH 1. GDP-GROWTH IN %

Source: CBS



GRAPH 2. UNEMPLOYMENT

Source: CBS



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Inflation: 2% as the new floor

The post-COVID inflation surge has significantly increased the price level in the Netherlands, with prices rising 31.1% since January 2019. While the yearly inflation rate has declined substantially from its peak, it remains above the ECB's target rate of 2%.

The ECB target rate, which was once viewed as a ceiling now appears to function as a floor for inflation. In November, the last month with available data, headline inflation stood at 2.9%, while core inflation (which excludes volatile items such as energy prices) was 3%.

The CPB projects a full-year inflation rate of 3.2% for 2025 and 2.6% for 2026. Inflation is forecast to remain above 2% through at least 2030.

Wage growth: a gradual decline

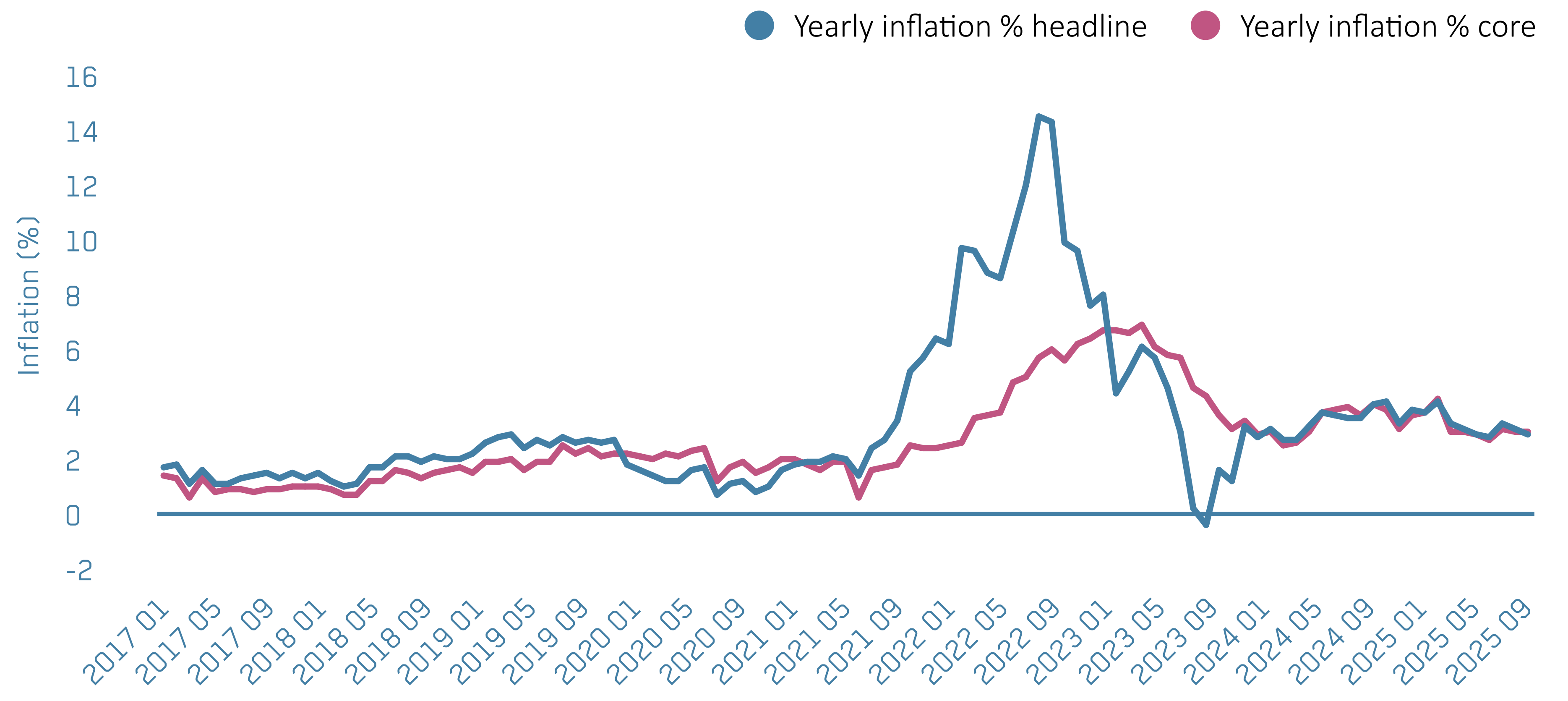
An important driver of inflation above historical norms is wage growth. A tighter labour market, combined with elevated wage expectations stemming from higher inflation, has pushed wage growth higher, peaking at 7% year-on-year in July 2024. Since then, wage growth has moderated but remains elevated at 4.6%.

With labour force growth expected to stagnate in the coming years, wage growth is forecast to remain above the pre-COVID average of around 1.5%. The CPB forecasts full-year wage growth of 4.9% in 2025 and 4.2% in 2026, with growth remaining above 3% through 2030.

This trajectory supports the borrowing capacity of current and prospective homeowners, providing stability to future house price growth, while also helping keep down arrears.

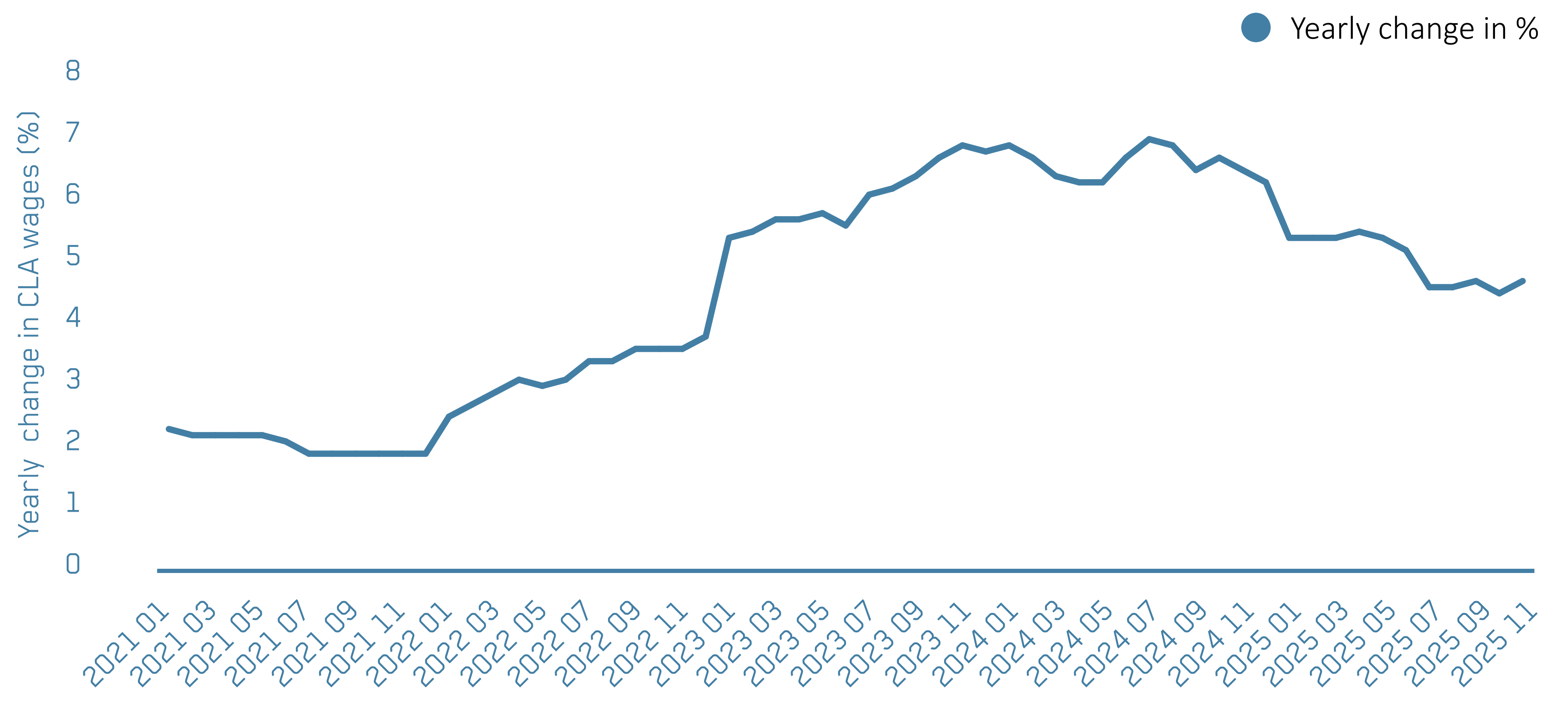
GRAPH 3. HEADLINE AND CORE INFLATION

Source: CBS



GRAPH 4. COLLECTIVE LABOUR AGREEMENT WAGE GROWTH IN %

Source: CBS



INTERNATIONAL COMPARISON

GDP: from remarkable to slightly better than average, the Dutch economy normalizes

Placing Dutch developments in an international context provides additional insight into the relative strength of the economy. Post-COVID, the Dutch economy has substantially outperformed its European peers. Looking at the index of economic growth since the first quarter of 2019, the Dutch economy has grown 10.5%, substantially higher than the Eurozone average of 6.8%. The comparison with the Eurozone's largest economies, France and Germany, reveals an even starker difference. The French economy has grown 5.7% and the German economy only 0.2% since the first quarter of 2019. This demonstrates that the Dutch economy is in significantly better health than its peers.

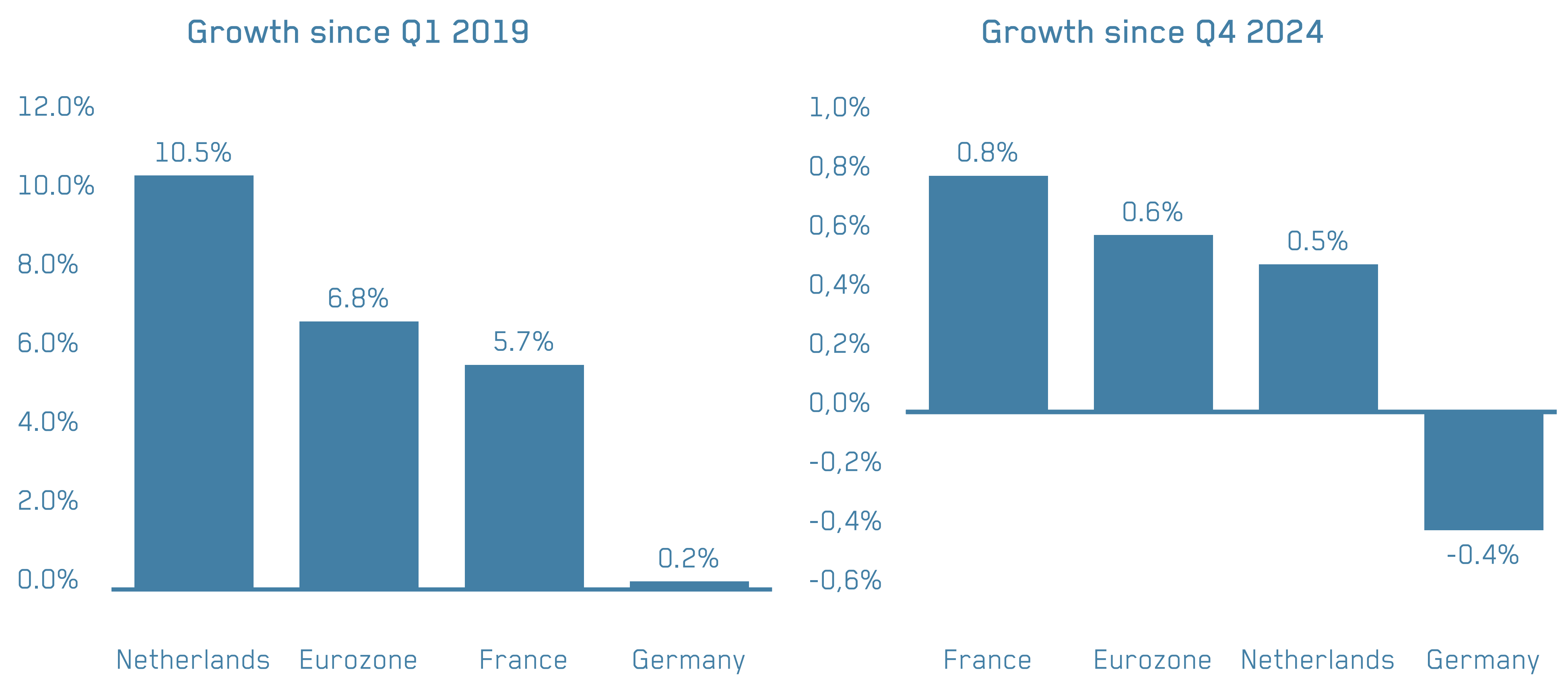
However, Dutch economic growth has begun to normalize and slow. US tariffs, elevated energy prices, and moderating wage growth have combined to limit Dutch growth since the fourth quarter of 2024 to just 0.6%, slightly above average. France has emerged as the strongest performer in this group, with growth of 0.8% over the same period.

Inflation: Dutch inflation especially higher in 2024

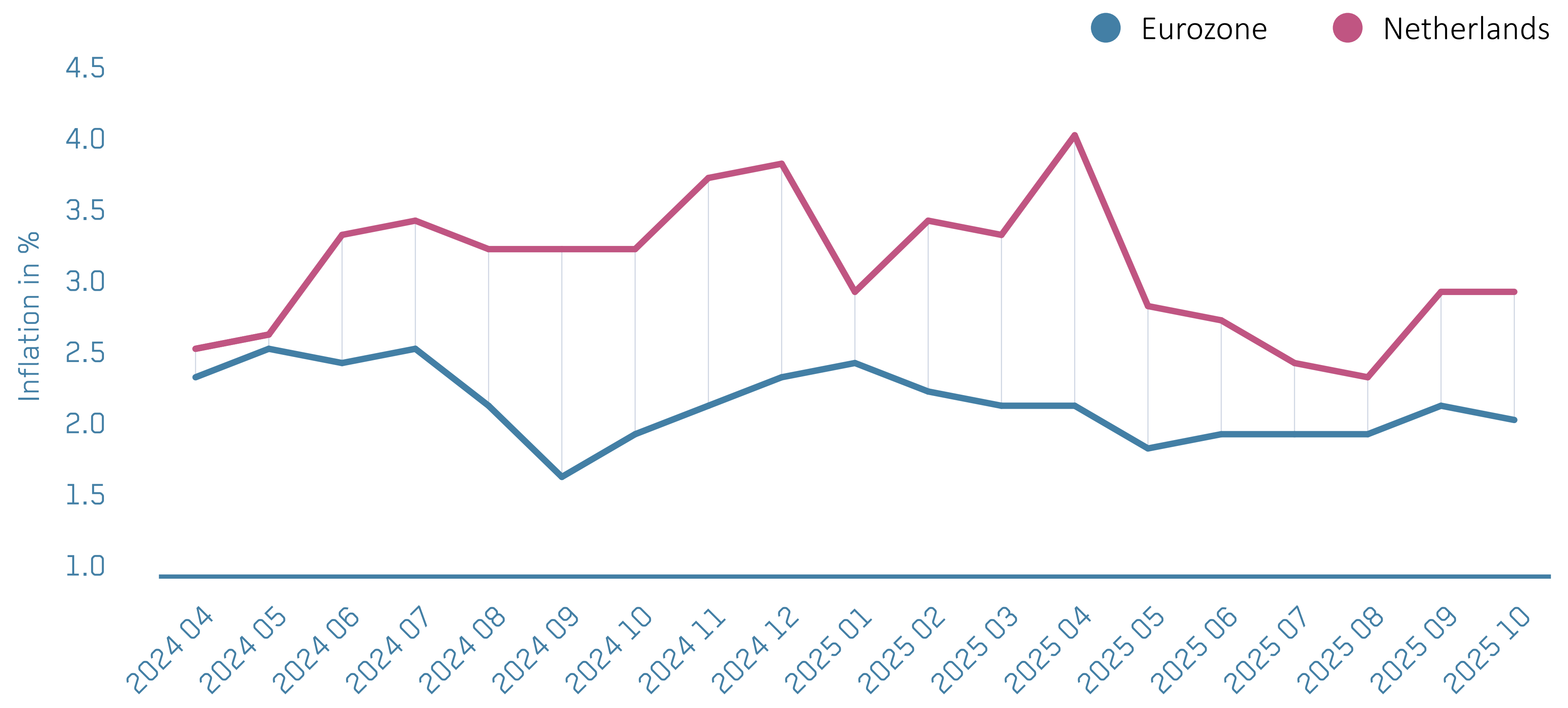
The Netherlands has experienced substantially higher inflation than the Eurozone average since at least the beginning of 2024. Above-average wage rises have driven a more pronounced increase in service prices across the country, a trend that has persisted into 2025 and widened the gap between Dutch and Eurozone inflation rates.

At the time of writing, the HICP inflation rate stood at 3.0% in the Netherlands compared to the Eurozone average of 2.1%. Some Eurozone countries have achieved significantly lower inflation rates. France, for example, has recorded just 0.8%. This divergence in inflation rates across member states has complicated the ECB's monetary policy decisions, as rate cuts risk further intensifying already elevated inflation in some countries.

GRAPH 5. GDP GROWTH SINCE 2019 VERSUS GDP GROWTH SINCE 2024 Q4 Source: Eurostat



GRAPH 6. NL AND EUROZONE INFLATION RATE (HICP %) Source: Eurostat



INTEREST RATES

Upwards pressure remains

After a prolonged period of an inverted swap curve, caused by central banks raising deposit rates to combat inflation, the rate environment has normalized during 2025. With the ECB cutting rates five times in 2025, the deposit rate has declined from 3.25% to 2%. Short-end swap rates, which are dictated by central bank rates, are now lower than longer-end rates. Meanwhile, rates at the longer end, which are more influenced by supply and demand dynamics, have risen. Higher government spending in the EU has increased expectations of supply in the market, pushing swap rates upward.

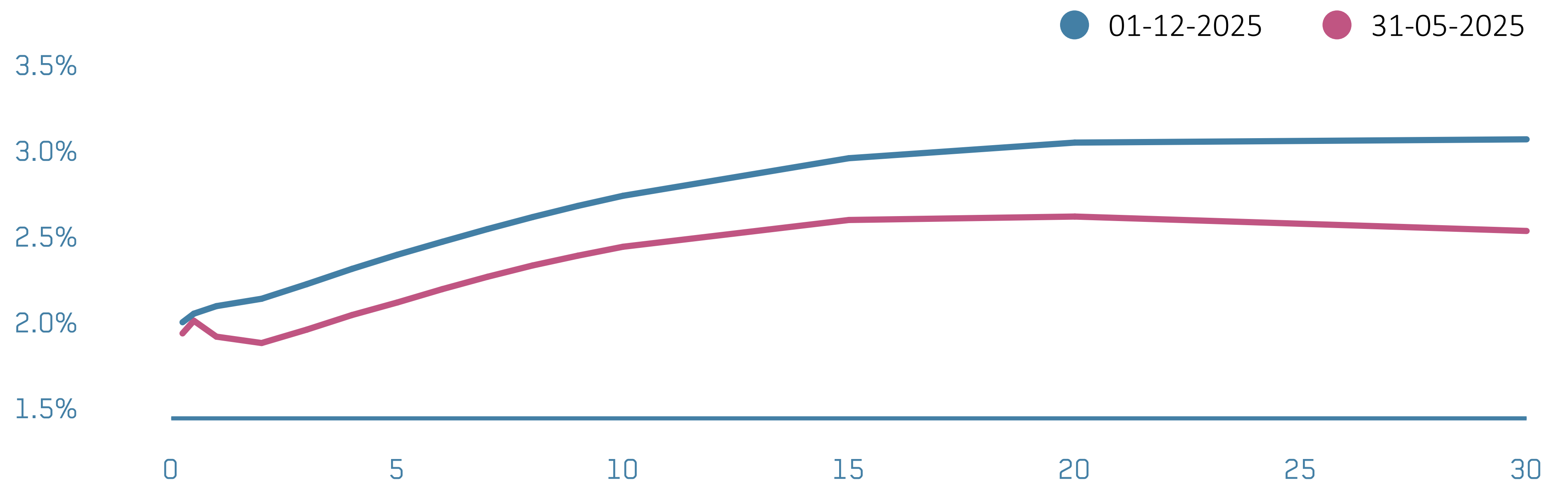
With the ECB adopting a "meeting-by-meeting" strategy, forecasting a path for Eurozone deposit rates has become more challenging. However, most forecasters expect the ECB to maintain rates throughout 2026 and 2027, as price pressures persist across the Eurozone while the economic situation remains too fragile to support rate increases.

The Federal Reserve's stance is notably more accommodative. CME Fedwatch expectations suggest the Fed deposit rate will fall to 3.25% by 2027. This decline in US rates could further weaken the dollar, making imports more attractive to Eurozone nations and exerting downward pressure on inflation. The Fed has cut its deposit rate less frequently than the ECB in 2025, reducing it three times from 4.5% to 3.75%.

Movements in swap rates and monetary policy have direct implications for mortgage affordability and market volumes.

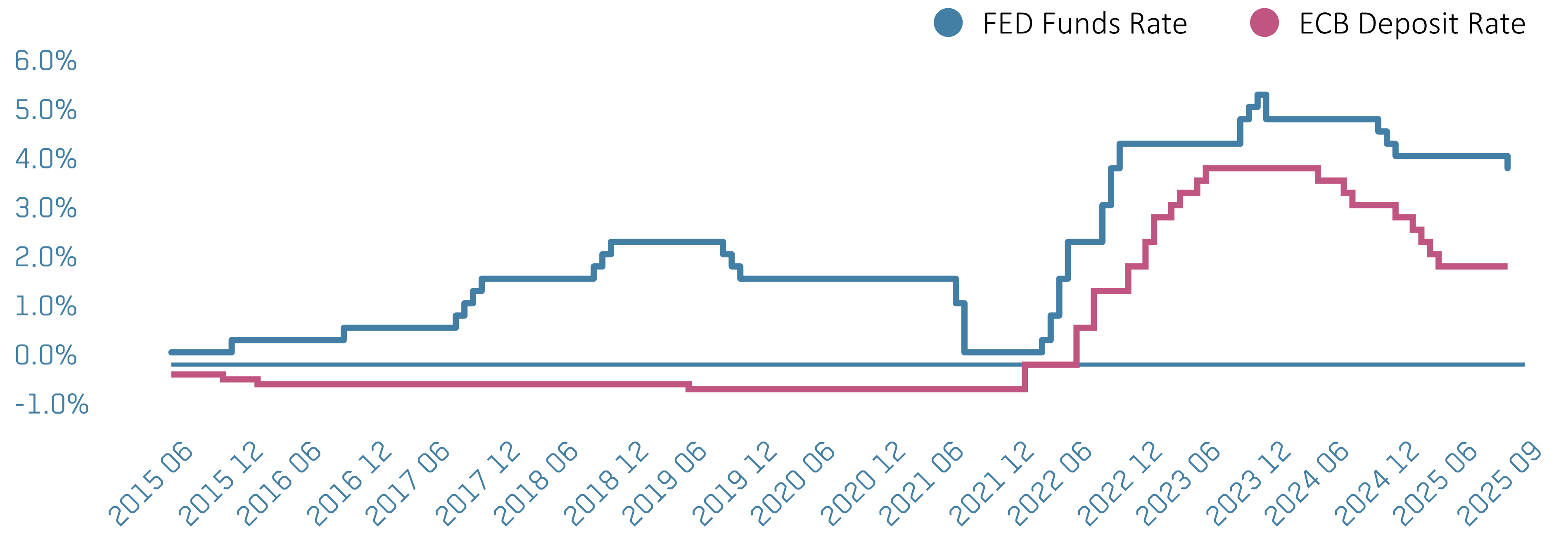
GRAPH 7. SWAP CURVE BEGINNING OF DECEMBER VERSUS END OF MAY 2025

Source: Macrobond



GRAPH 8. ECB AND FED DEPOSIT RATES (%)

Source: ECB, Fred



3. Mortgage market developments

Highest net increase in mortgage debt since 2021

During the first half of 2025, the Dutch mortgage market expanded by €17.4 billion, bringing total outstanding mortgage debt to approximately €869 billion. This represents a 20.4% increase compared to the first half of 2024, marking the highest net increase since the first half of 2021 and signalling the market's recovery.

Despite the strong absolute increase in outstanding mortgage debt, the relative level of mortgage debt as a percentage of GDP has continued to decline. Since the beginning of 2020, mortgage debt to GDP has fallen from around 87% to approximately 75%.

Including all other forms of household debt, the debt to GDP ratio stood at 93.6% in 2024, down from 125.9% in 2010. Other countries with higher household debt to GDP ratios, such as Switzerland, Canada, and Australia, experienced increases in their debt to GDP during the same period, maintaining ratios above 100% (source: IMF). This demonstrates that macro credit risk in the Netherlands has improved significantly.

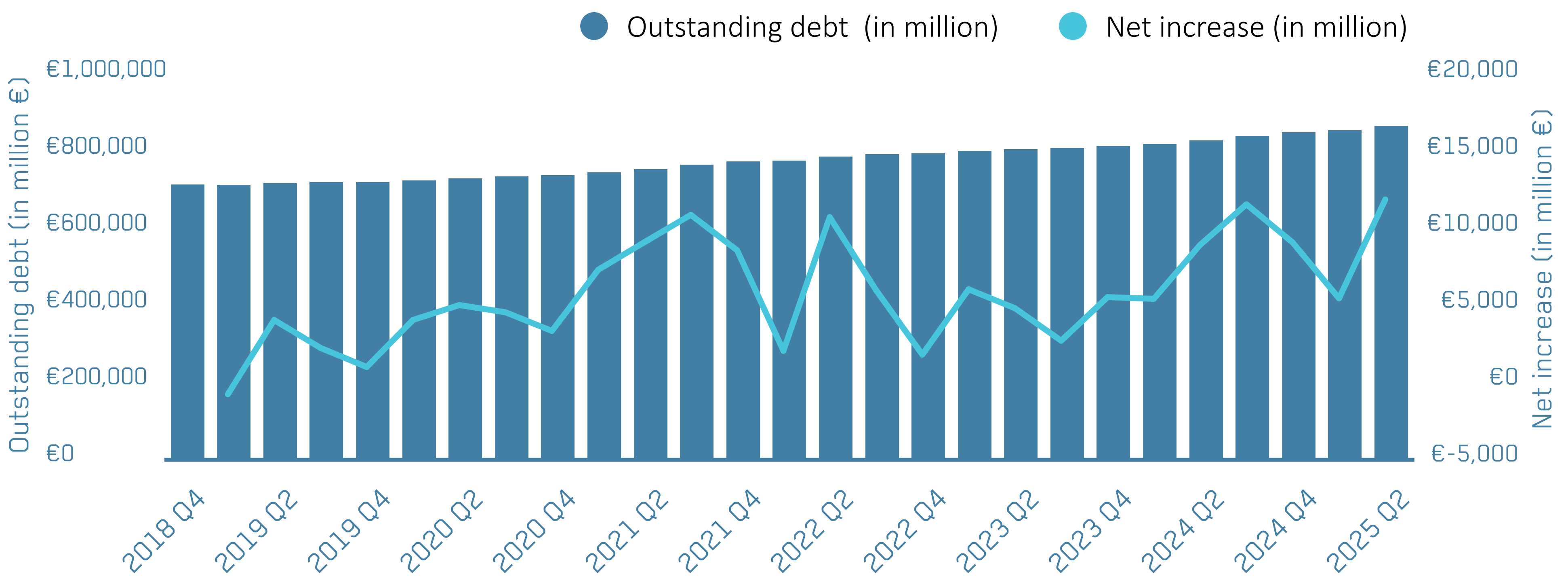
Households borrow less for their homes

The improvement in macro credit risk reflects positive developments at the household level. This improvement stems not only from economic improvements such as lower unemployment and strong wage growth, but also from households borrowing less when purchasing homes.

The average loan-to-value (LTV) ratio for new mortgages has declined from 91.8% at the start of 2020 to 87.9% currently. This ratio varies significantly by age group, as shown in graph nine. Younger homebuyers (under 35) had an average LTV ratio of 90.9% in the first half of 2025, reflecting the prevalence of first-time buyers in this age group who have not yet accumulated home equity. Older homebuyers, who have built up home equity over time, achieved a considerably lower average LTV ratio of 66.6%.

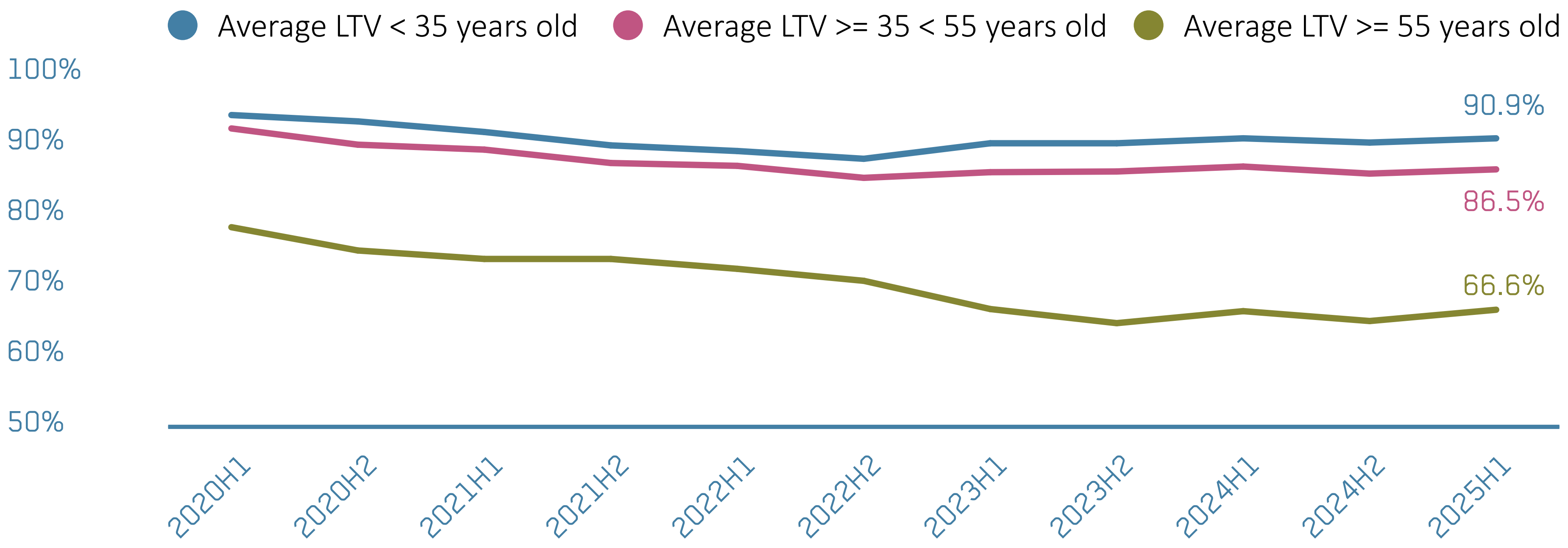
GRAPH 9. NET INCREASE AND TOTAL OUTSTANDING MORTGAGE DEBT

Source: DNB



GRAPH 10. AVERAGE LTV PER AGE GROUP

Source: Land Registry



Pressure on swap rates brings down spreads across the board

Dutch mortgages offer an attractive investment proposition for investors seeking low-risk assets with compelling returns. The spread above the swap rate for Dutch mortgages can be substantial, with 30-year fixed-rate mortgages at 100% LTV commanding a spread of 147 basis points above the swap rate. Spreads are tighter for shorter fixed-rate periods and lower loan-to-value buckets, such as National Mortgage Guarantee (NHG) mortgages, but the spread pickup relative to swap typically remains around 100 basis points.

During the second half of 2025, continued upward pressure on swap rates created a challenging environment for mortgage spreads. Across the board, mortgage spreads compressed. This compression can be attributed primarily to the lag with which mortgage rates adjust to changes in swap rates. As the environment of elevated swap rates normalizes, pressure on spreads is expected to ease.

GRAPH 11. MORTGAGE SPREADS IN BASIS POINTS PER LOAN-TO-VALUE BUCKET AND FIXED RATE PERIOD (1ST OF DECEMBER 2025)

Fixed rate period (years)	NHG	50%	60%	70%	80%	90%	100%
30	130	129	130	135	136	141	147
20	118	122	122	128	129	136	141
15	113	119	120	128	129	135	141
10	94	103	104	111	116	120	122
7	98	112	113	119	122	125	127
6	96	107	107	112	112	117	121
5	93	102	103	109	109	112	115
3	100	111	111	118	119	122	125
1	101	115	115	121	121	125	127

LTV Ratio Class; Spread (bps): 120, 130, 140, 150, 160, 170

GRAPH 12. DEVELOPMENT OF SPREADS IN BASIS POINTS BETWEEN THE 31ST OF MAY AND THE 1ST OF DECEMBER PER LOAN-TO-VALUE BUCKET AND FIXED RATE PERIOD

Fixed rate period (years)	NHG	50%	60%	70%	80%	90%	100%
30	-21	-31	-31	-30	-30	-31	-32
20	-13	-28	-28	-28	-27	-26	-28
15	-18	-29	-28	-25	-26	-26	-29
10	-24	-27	-26	-27	-24	-22	-25
7	-28	-27	-27	-29	-28	-28	-31
6	-25	-21	-21	-24	-24	-23	-22
5	-28	-26	-25	-27	-27	-27	-28
3	-24	-27	-27	-27	-27	-26	-28
1	-24	-15	-14	-17	-17	-18	-21

LTV Ratio Bucket; Spread development (bps): -10, -5, 5, 10, 20, 25

4. Housing market developments

Supply and transactions: uptick in transactions continues

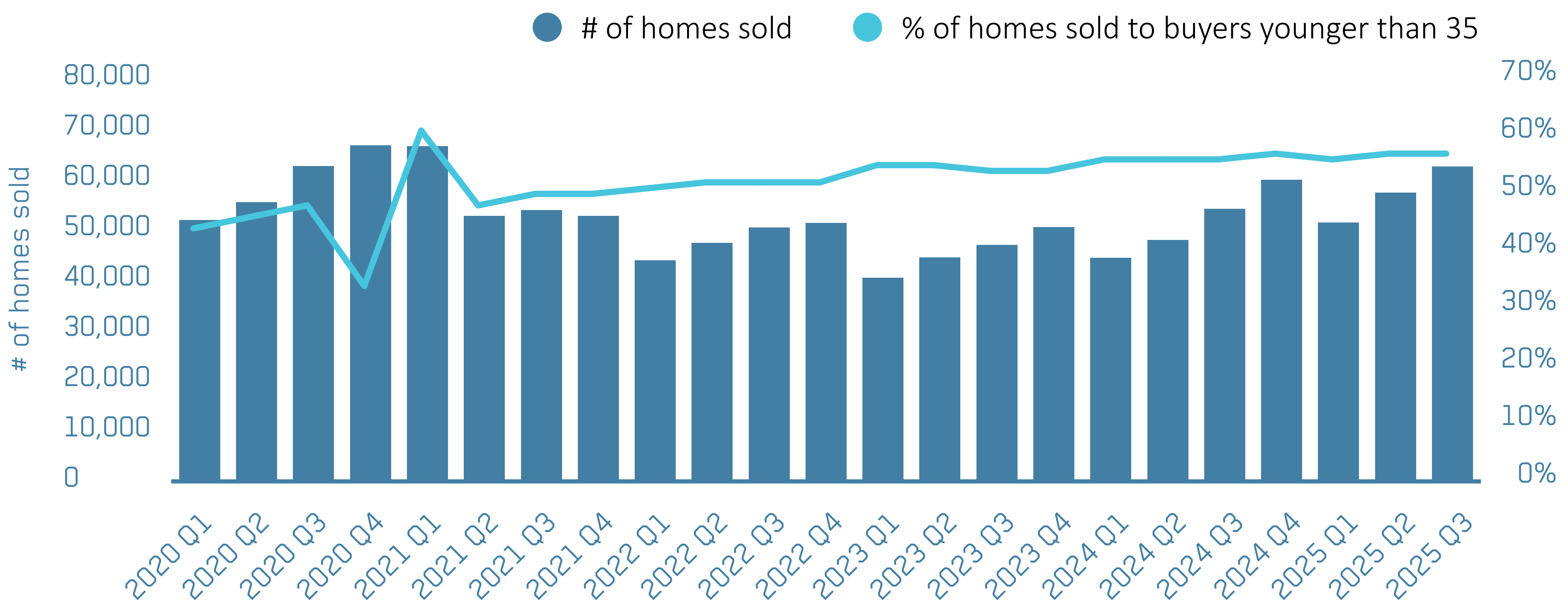
As forecasted in the previous investment update, the uptick in housing transactions continued through the second and third quarters of 2025. This increase was driven primarily by younger buyers entering the market through the purchase of ex-rental homes, which smaller investors are offloading as fiscal and regulatory conditions have become less favourable for property investment. This trend is evident in the share of homes sold to buyers under 35, who are often first-time buyers. During the third quarter of 2025, approximately 57% of transactions involved buyers younger than 35.

Although this development has led to a significant increase in supply, with the Dutch Association of Realtors (NVM) noting an 18% rise in homes for sale during the third quarter, most homes continue to sell relatively quickly. The average time-to-sale has remained stable at around 29 days over multiple quarters, with over 81% of homes selling within a quarter.

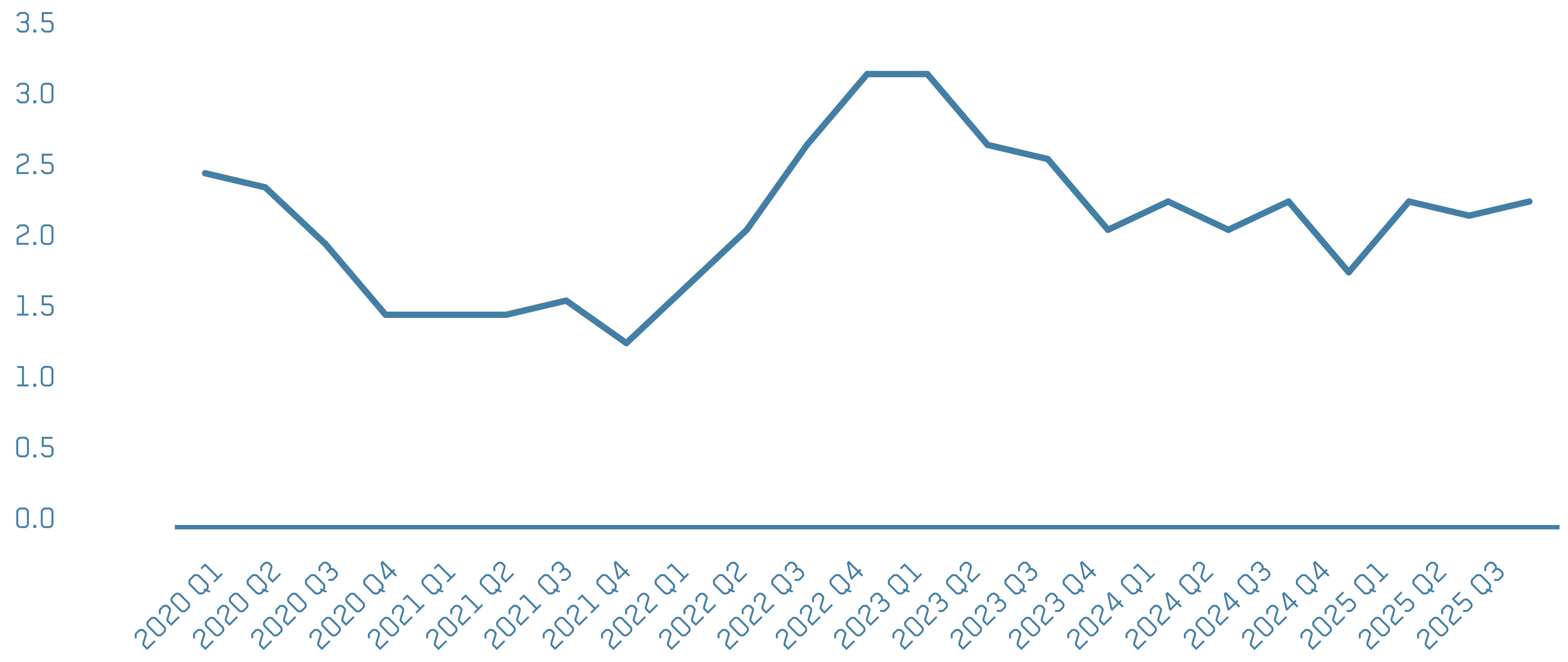
Market remains tight

Despite the substantial increase in housing supply, the market remains tight. Data from the Dutch Association of Realtors (NVM) reveals that prospective buyers had an average of 2.3 "suitable" homes to choose from during the third quarter of 2025. This figure has remained stable at 2.3 over recent quarters. The NVM market tightness indicator is calculated by dividing the quarter-end supply of homes by the number of transactions occurring during that quarter. This approach provides a more accurate gauge of market tightness than simply comparing supply and transaction volumes, as the number of homes for sale represents only a snapshot of market conditions.

GRAPH 13. NUMBER OF HOMES SOLD AND MARKET SHARE FIRST-TIME BUYERS (BUYERS YOUNGER THAN 35) Source: Land Registry



GRAPH 14. MARKET TIGHTNESS INDICATOR – SOURCE: DUTCH ASSOCIATION OF REALTORS



House price growth slows down

As increased supply has entered the market, mortgage rates have remained elevated, and wage growth has moderated, house price growth in the Netherlands has slowed from its post-2022 peak of 12.0% year-on-year. However, this slowdown has been gradual, with no expectation of house prices entering a decline.

During the third quarter, according to data from the Land Registry (Kadaster), home prices grew 6.7% year-on-year. Quarter-on-quarter growth was more subdued, with prices rising 0.9%, signalling a continued deceleration in price growth going forward.

Price growth varied by home type. Apartments recorded year-on-year price growth of only 1.7%, while detached homes saw their average price rise 8.2% year-on-year. This divergence reflects the impact of ex-rental sales, with Kadaster noting that home prices would be approximately 5% higher if this wave of ex-rental sales had not occurred.

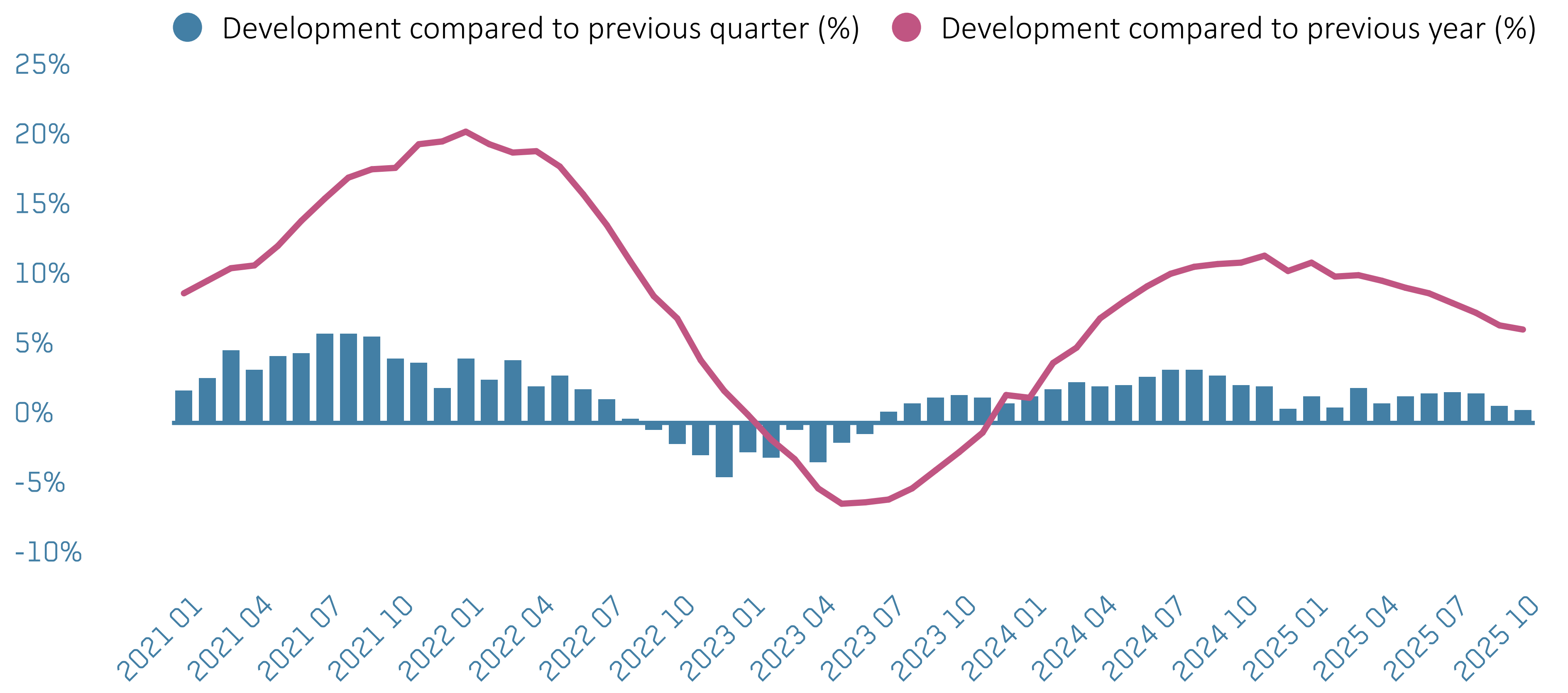
Despite the influence of ex-rental sales, home prices continued to rise. The Price Index of Existing Homes (PBK) reached 151.6 at the end of the third quarter 2025, indicating that home prices have increased 51.6% since the beginning of 2020.

Changes in housing policy unlikely to happen in 2026

These market trends are unfolding against a backdrop of political uncertainty. Following the collapse of the Schoof coalition, the Netherlands held elections in October 2025. There is a high likelihood that the incoming coalition will need to address fiscal constraints, as government advisory groups highlight the necessity for tax increases or spending cuts (source: Studiegroep Begrotingsruimte), even before accounting for additional funding required to meet the 3.5% NATO defence spending target. The election results reflected a slight shift towards the centre, with the social-liberal D66 party securing the most votes. Preliminary coalition talks between D66 and the Christian-democratic CDA party have produced a starting document for broader coalition negotiations with other potential partners, including the centre-right VVD, right-wing JA21, and left-wing GL-PvdA.

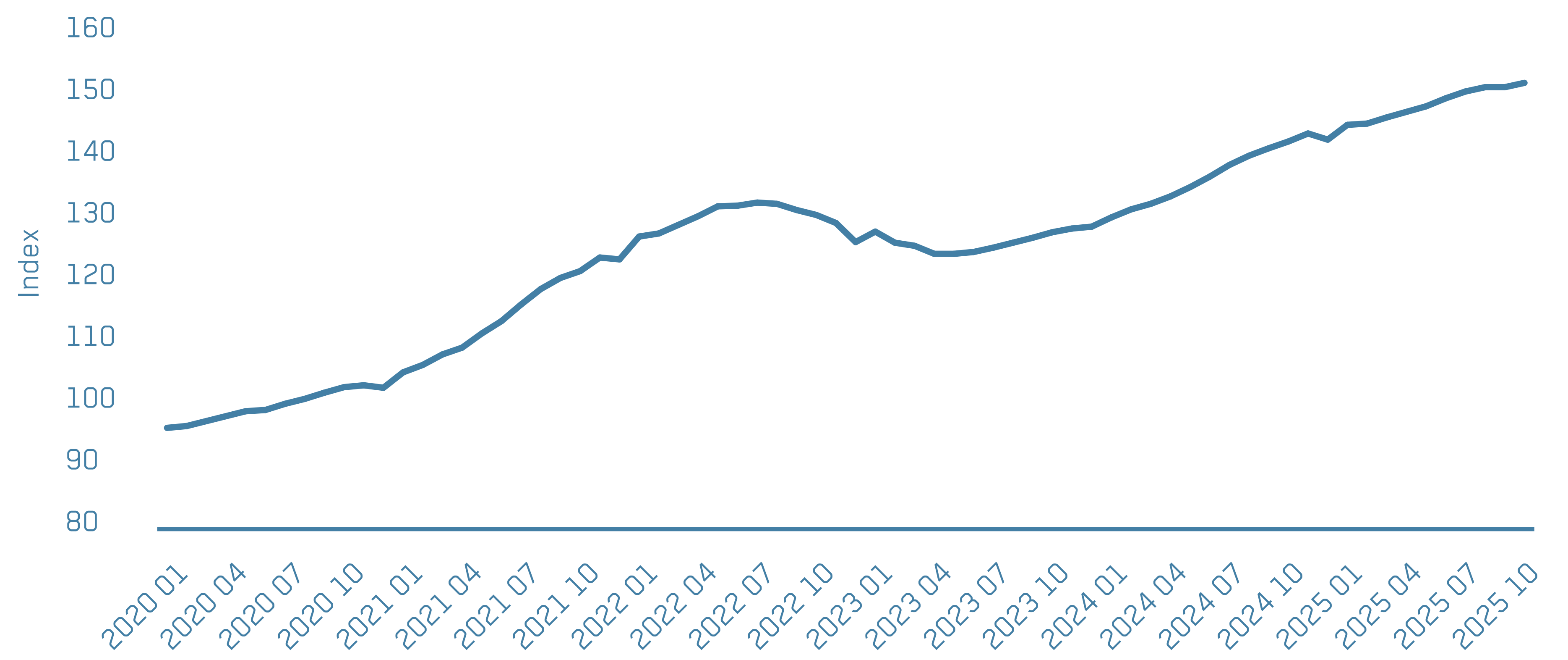
GRAPH 15. HOUSE PRICE DEVELOPMENT SINCE 2021

Source: Land Registry



GRAPH 16. PBK INDEX (2020 = 100)

Source: Land Registry



Depending on the final coalition composition, changes to the tax treatment of owner-occupied homes are possible. However, given that coalition negotiations in the Netherlands typically extend over lengthy periods, and preparing for changes to owner-occupied housing taxation requires several additional months, no policy changes are expected in 2026. Structural reforms, such as modifications to the mortgage interest deduction, cannot be implemented before 2029, as the Tax Administration's (Belastingdienst) IT systems currently lack the capacity to handle substantial tax reforms (source: Ministry of Finance).

The impact of changes to housing taxation depends on the implementation timeline and the specific reforms adopted. A complete phase-out of the mortgage interest deduction over 20 years would reduce home price growth by 18% relative to a baseline of 40% growth over the next 12 years. Nominal borrowing capacity would remain largely unaffected, as wage growth would offset these effects. Less comprehensive reforms could dampen home price growth by 6 to 12% relative to baseline (source: DNB).

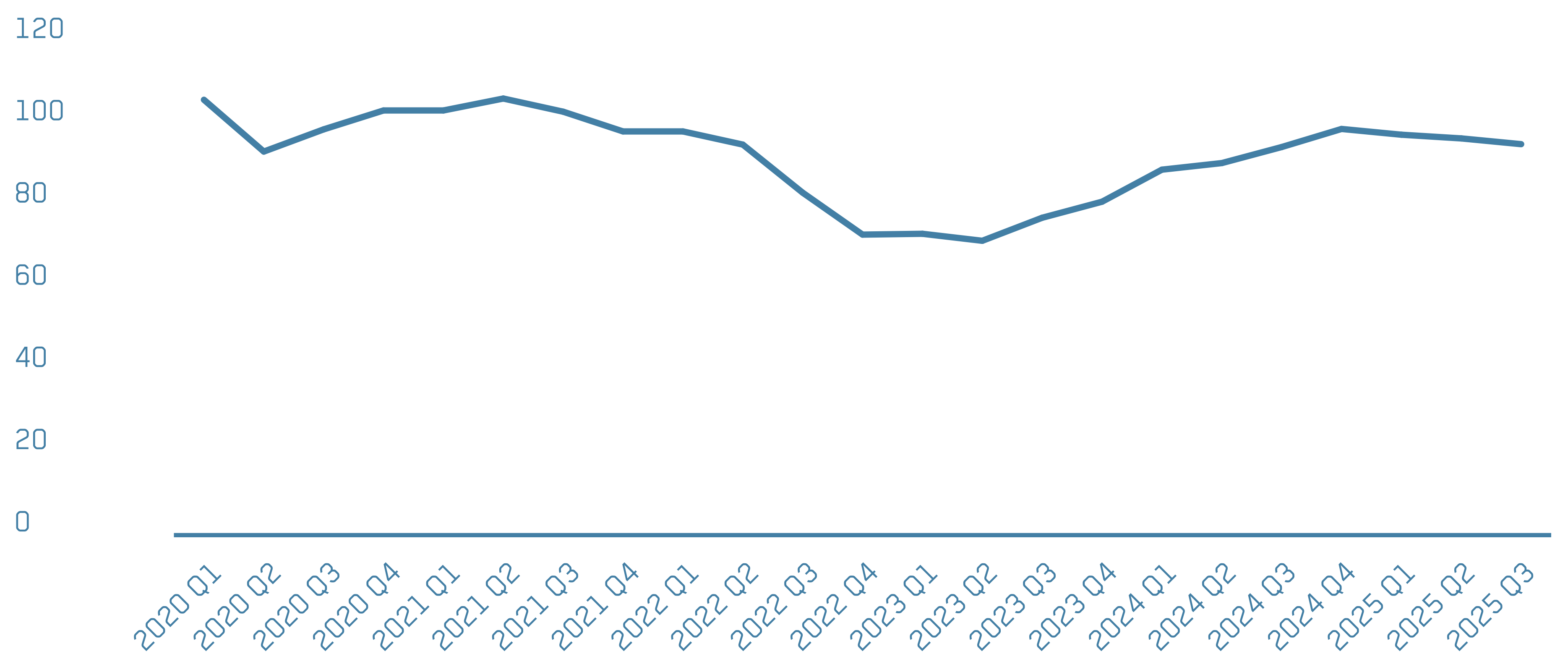
Housing market outlook shows cooling growth trajectory

The Dutch housing market is expected to experience a moderation in price growth during 2026 following years of robust appreciation. Several factors are driving this shift. Declining inflation and moderating collective labour agreement wage growth, combined with mortgage rates unlikely to decline substantially, will constrain increases in borrowing capacity for prospective buyers. The ongoing sale of ex-rental properties by landlords is simultaneously expanding housing supply. These dynamics suggest that market tightness, which characterised previous years, will be less pronounced in 2026, though most forecasts still anticipate house price growth of around 4%. Once the majority of ex-rental homes have been sold, expected in the second half of 2026, market tightness could re-emerge.

Market sentiment remains stable, as evidenced by the Vereniging Eigen Huis housing market confidence indicator, which recorded a quarterly average of 95.1 in Q3 2025. This represents only a modest decline and remains above the long-term average of 84.2 (measured from 2004 to Q3 2025). While current confidence levels support the growth projections, any significant economic deterioration affecting buyer willingness could alter these expectations.

GRAPH 17. VEH HOUSING MARKET CONFIDENCE INDICATOR

Source: VEH



5. ESG

SOLAR PANEL ADOPTION AMONG DUTCH HOMEOWNERS

Dutch homeowners have substantially engaged in sustainability measures over the past five years. Approximately 72% of those living in their homes for at least five years have implemented at least one energy-saving measure, with solar panels being the most popular choice, particularly among homeowners rather than apartment dwellers (source: WoOn, Achmea Mortgages Investment Update H2 2025). Solar adoption has been exceptionally high overall, with roughly one-third of Dutch households now having installed solar panels. This represents the highest adoption rate in Europe and has contributed to significant emissions reductions across the residential sector. The Achmea Mortgages portfolio reflects this trend, with solar penetration mirroring broader market adoption. However, analysis reveals that substantial additional emissions reductions can be achieved if solar adoption within the portfolio reaches its maximum potential.

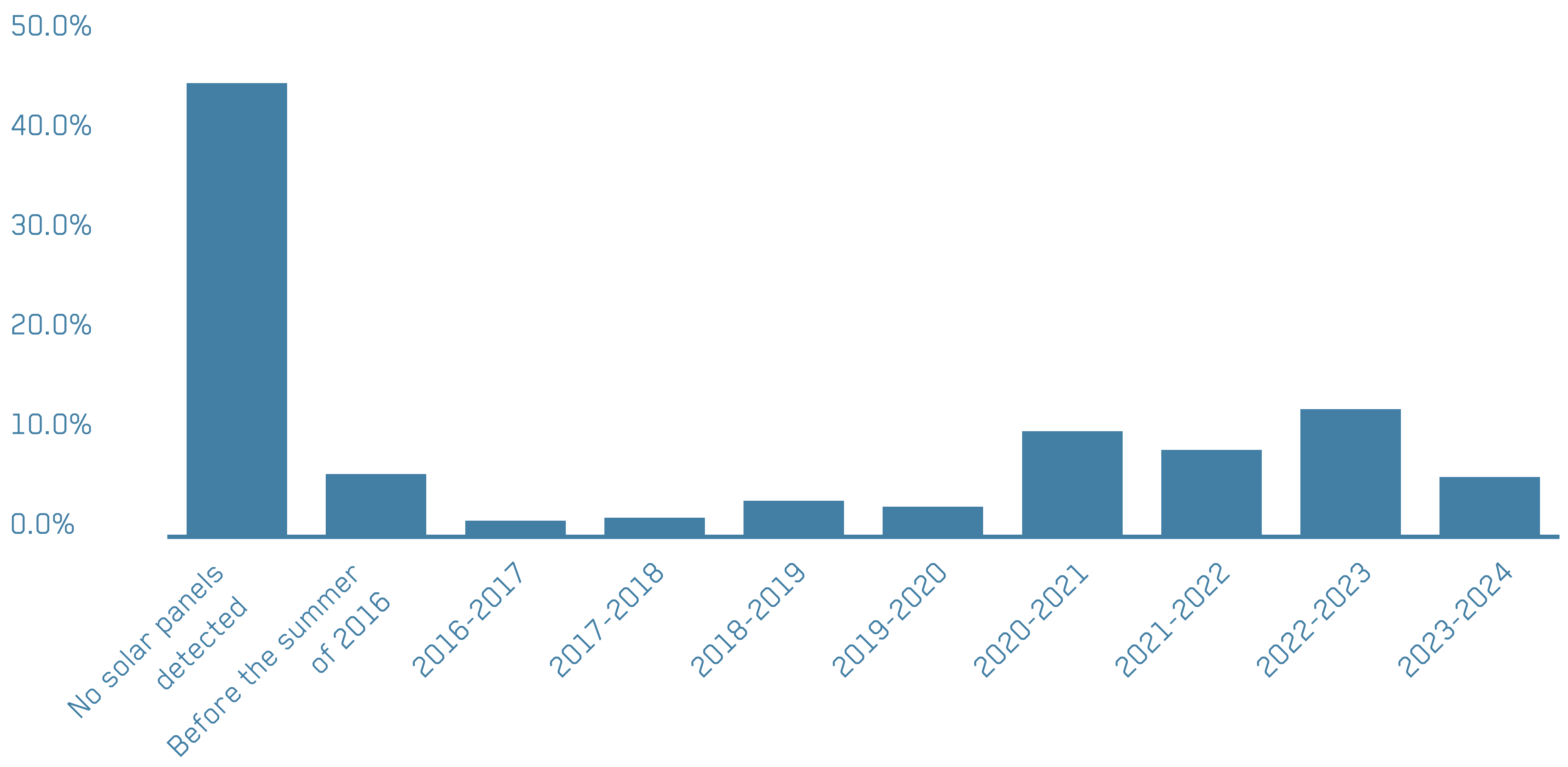
54.5% of houses within the Achmea Mortgages portfolio have at least one solar panel installed

Our analysis focuses exclusively on houses within the portfolio, as solar panel installation on apartments depends on decisions by the Association of Owners (VvE). Apartments represent approximately 12.5% of the total portfolio, with houses comprising the remaining 87.5%.

Using remote sensing data from TDA Analytics and Readar, analysis shows that of these houses, approximately 54.5% have at least one solar panel installed, with an average of 13.5 solar panels per house. Adoption is highest for detached and semi-detached houses, with around 63% of these properties having solar panels installed. Solar adoption growth has been particularly strong, with 38.1% of the 54.5% first detected after summer 2020 and only 16.4% before summer 2020. The summer of 2022 to 2023 was an especially robust year for adoption, with 12.8% of portfolio houses recording their first solar panel detection during this period.

GRAPH 18. FIRST SUMMER OF DETECTION SOLAR PANELS HOUSES IN ACHMEA MORTGAGES PORTFOLIO

Source: TDA Analytics and Readar



Growth slowed during summer 2023 to 2024. Whether this deceleration reflects early concerns about the potential ending of the net metering scheme, which allows consumers to offset consumed and produced energy, or results from slower growth at already high adoption levels remains unclear. The total energy generated by solar installations within the portfolio exceeds 140 million kWh, preventing approximately 31,300 tonnes of CO_2 emissions annually, representing around 15 to 16% of yearly emissions.

39.2% of houses in the portfolio do not yet have solar panels installed

Although 54.5% of houses have already adopted solar panels, substantial room for expansion remains. 39.2% of houses in the portfolio are well-suited for solar installation but do not yet have them. This means that combined, 93.7% of houses in the portfolio have suitable conditions for solar panel installation.

The greatest potential exists among terraced houses, as 44.2% are suitable for solar panels but remain uninstalled. Approximately 7.5% of terraced houses are unsuitable due to insufficient roof space or inadequate sunlight exposure. Installing solar panels on additional houses throughout the portfolio presents significant potential. Another consideration is whether existing installations can accommodate additional panels on roofs that already have solar equipment.

Most houses with solar panels already have the maximum number of solar panels

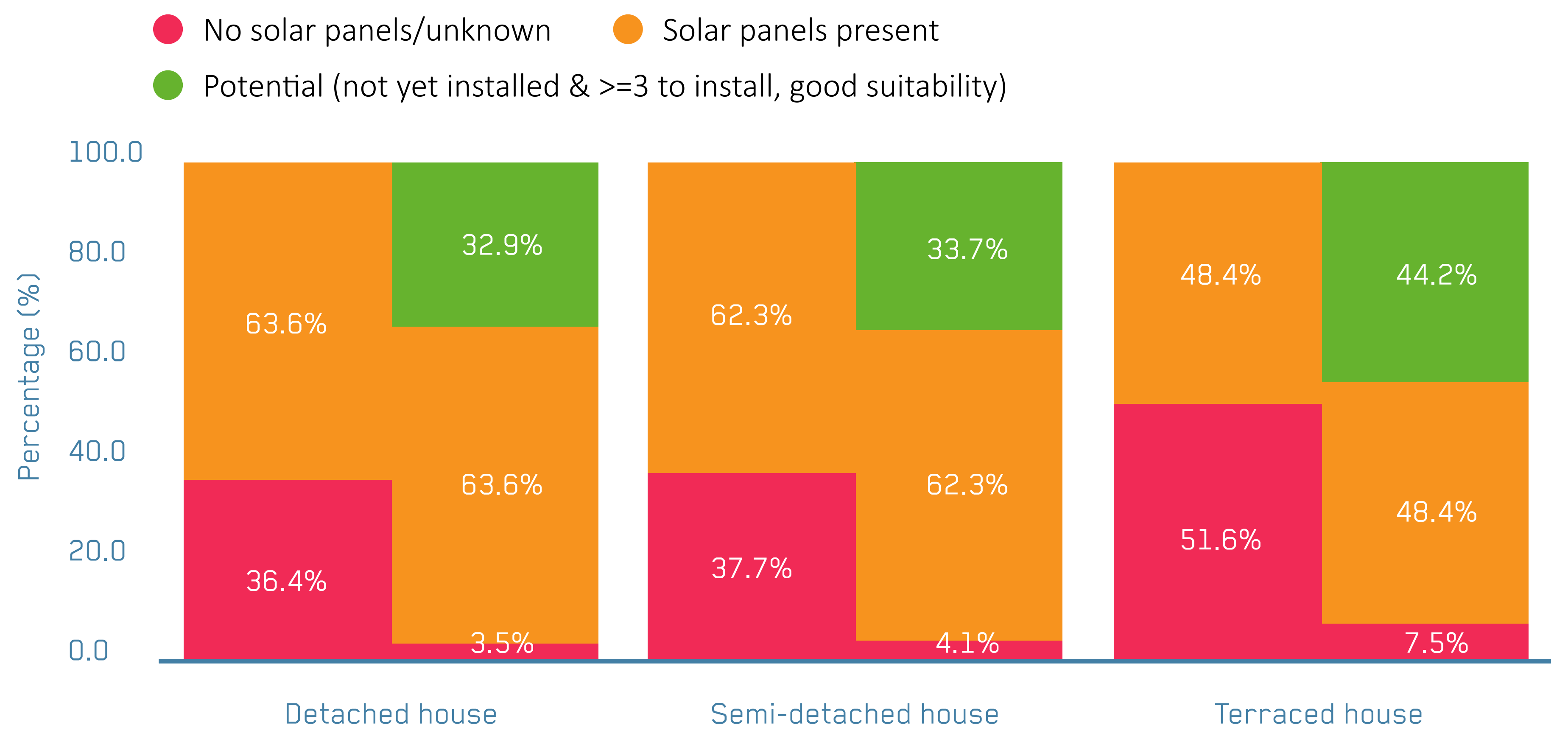
Potential for additional solar panels among existing installations is limited. Houses that already have solar panels can accommodate an average of 13 additional panels, comparable to the average number currently installed per house. Certain housing types, such as farmhouses, tend to have greater capacity, with an average of 18.1 panels currently installed and a total potential of 27.2.

Households with lower solar panel uptake tend to be older

As shown in the accompanying graph, solar panel uptake increases with homeowner age, driven by rising disposable income that makes solar purchases feasible. However, uptake falls sharply in the highest age groups, with only 34.9% of houses occupied by residents aged 80 or older having solar panels installed. The likelihood of these households installing solar panels later in life is very limited. Nevertheless, the data indicates room for organic growth in solar uptake, as properties with older residents change hands and transfer to younger homeowners.

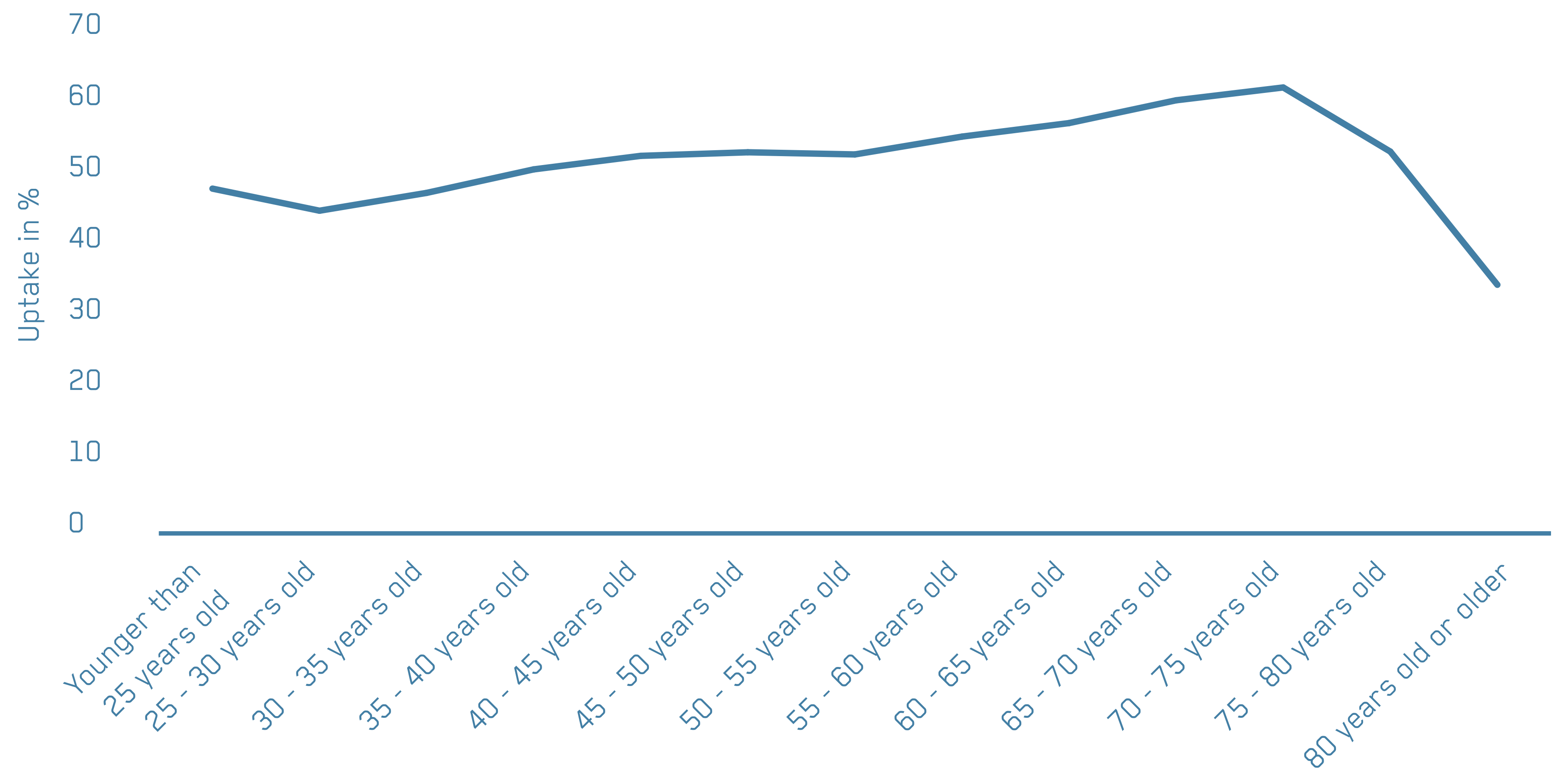
GRAPH 19. POTENTIAL FOR SOLAR PANELS HOUSES IN ACHMEA MORTGAGES PORTFOLIO

Source: TDA Analytics and Readar



GRAPH 20. SOLAR PANEL UPTAKE PER AGE GROUP IN ACHMEA MORTGAGES PORTFOLIO

Source: TDA Analytics and Readar



Improving uptake in houses could save approximately 22,000 tonnes of CO_2, reducing portfolio emissions by about 11%.

Number of solar panels Investment Payback period with the net metering scheme in place Payback period without the net metering scheme and with feed-in costs Payback period without the net metering scheme and €1,000 climate store voucher included

Removing barriers is essential to reaching maximum potential

Whether households install solar panels often depends on the financial case for the decision, specifically how quickly a return on investment can be achieved. With the net metering scheme currently in place, homeowners can achieve rapid payback when installing solar panels. However, with this scheme ending in 2027, payback periods will lengthen, making the investment more difficult to justify.

The accompanying table illustrates the difference in financial outcomes with or without the net metering scheme. The introduction of feed-in costs for surplus energy has already extended payback periods, and the scheme's removal in 2027 will lengthen them further.

However, even without the net metering scheme, solar remains an attractive investment for many households given its long-term value and environmental benefits. As solar installation costs continue to decline and energy prices remain elevated, payback periods are expected to become increasingly competitive.

Even in the absence of net metering, solar panels remain an attractive long-term investment for many households, supported by declining installation costs and structurally higher energy prices. In addition, Achmea Mortgages actively supports energy-saving investments by providing mortgage customers with a voucher of up to €1,000 for the Climate Store, which can be used to purchase measures such as solar panels. When this incentive is taken into account, payback periods remain broadly stable even without net metering, demonstrating how targeted financial incentives from mortgage providers can help sustain solar adoption and support portfolio-level emissions reductions.

TABLE 1. PAYBACK PERIOD (TIME UNTIL A RETURN ON INVESTMENT IS ACHIEVED) FOR SOLAR PANELS WITH AND WITHOUT THE NET METERING SCHEME

Number of solar panels	Investment	Payback period with the net metering scheme in place	Payback period without the net metering scheme and with feed-in costs	Payback period without the net metering scheme and €1,000 climate store voucher included
5	€2,750	8.4	12.8	8.2
10	€4,000	7.9	11.0	8.3
15	€5,250	8.3	10.1	8.2

Table 1: Payback period (time until a return on investment is achieved) for solar panels with and without the net metering scheme. Calculated using data from hier.nu. Power price estimated to be €0.25 per kWh including tax. Feed-in costs assumed to be €0.11 per kWh with net-metering, feed-in tariff assumed to be €0.07 per kWh with net-metering. Net feed-in tariff for calculation without net-metering assumed to be €0.05 per kWh. Energy usage for household with 5 solar panels assumed to be 2,550 kWh per year, 3,080 kWh for the household with 10 solar panels and 3,980 kWh for the household with 15 solar panels.

6. Outlook for the asset class

#1. Upward pressure on swap rates expected to remain in 2026

The second half of 2025 has been characterised by a rise in swap rates across all maturities, leading to a period of spread compression within the mortgage market. While this pressure is expected to ease slightly in 2026 as mortgage rates adjust to higher swap rate levels, upward pressure on swap rates is likely to persist.

The upward pressure can be explained by examining Eurozone government borrowing levels, as illustrated in the accompanying graph. Increased defence spending, combined with ageing populations and elevated investment needs, mean that most countries are projected to borrow more in 2026 and 2027.

This additional borrowing increases supply in the market, pushing up bond yields and therefore swap rates. However, a change in Eurozone economic forecasts could trigger a flight to safety, which would lower swap rates.

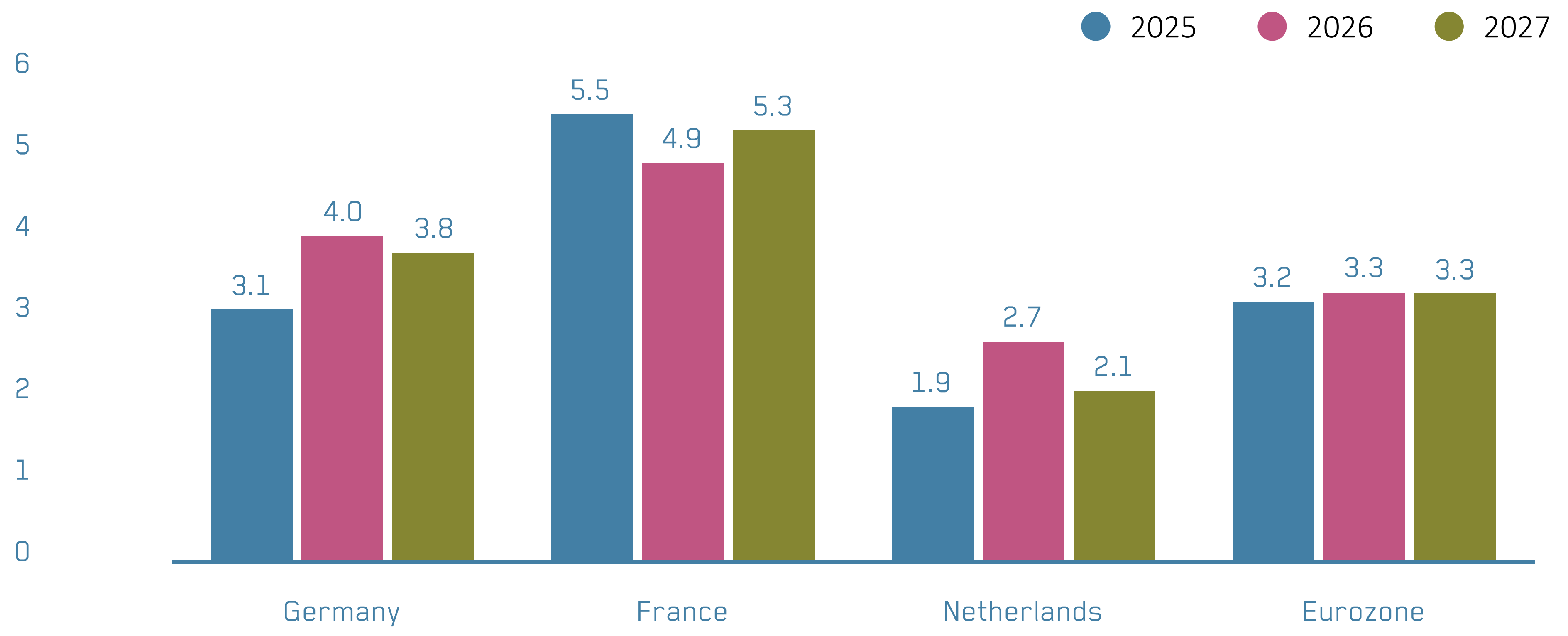
#2. Low unemployment, elevated wage growth and reduced borrower leverage result in very low credit risk

Credit risk for Dutch mortgages is very low, which manifests itself in a low level of arrears and foreclosures. In recent years credit risk has steadily improved, as unemployment declined and high wage growth meant increasing payment capacity for homeowners. Average loan-to-value ratios have fallen. With a lower aggregate leverage position for new borrowers, the Dutch mortgage market is better positioned to absorb future economic shocks.

Since no strong rise in unemployment, or significant decline in wage growth is forecast for 2026 and the Dutch housing market sentiment is pointing to a moderately positive development credit risk is expected to remain low, but changes in economic conditions could have impact on this.

GRAPH 21. GOVERNMENT BORROWING AS A % OF GDP FOR SELECTED EUROZONE COUNTRIES

Source: European Commission



#3. Concrete path to portfolio decarbonisation shows ESG opportunity

The portfolio's current solar penetration of 54.5% provides a strong foundation for further emissions reductions. Analysis indicates that reaching maximum solar adoption across suitable properties could reduce portfolio emissions by an additional 11%, establishing a clear decarbonisation pathway.

The scheduled expiration of the net metering scheme in 2027 is expected to lengthen payback periods and may slow the pace of adoption. Nevertheless, underlying demand for energy-saving measures remains robust, with more than 70% of long-term owner-occupiers having already implemented at least one sustainability improvement.

Achmea Mortgages supports this transition by offering mortgage customers a voucher of up to €1,000 for energy-saving measures through the Climate Store. This incentive can partially offset longer payback periods following the removal of net metering and helps sustain solar adoption, thereby contributing to continued progress towards portfolio-level emissions reductions.

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